



Brownfields Cleanup Revolving Loan Fund Pilot

Cedar Rapids, IA

Outreach and Special Projects Staff (5101)

Quick Reference Fact Sheet

EPA's Brownfields Economic Redevelopment Initiative is designed to empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields. A brownfield is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse. EPA is funding: assessment demonstration pilot programs (each funded up to \$200,000 over two years), to assess brownfields sites and to test cleanup and redevelopment models; job training pilot programs (each funded up to \$200,000 over two years), to provide training for residents of communities affected by brownfields to facilitate cleanup of brownfields sites and prepare trainees for future employment in the environmental field; and, cleanup revolving loan fund programs (each funded up to \$500,000 over five years) to capitalize loan funds to make loans for the environmental cleanup of brownfields. These pilot programs are intended to provide EPA, states, tribes, municipalities, and communities with useful information and strategies as they continue to seek new methods to promote a unified approach to site assessment, environmental cleanup, and redevelopment.

BACKGROUND

Cedar Rapids, Iowa has several neighborhoods that suffer from comparatively high unemployment and below average household incomes, depressed property values, conflicting land uses, and general urban decay. Cedar Rapids has undertaken a rigorous brownfields redevelopment initiative that has been recognized with a Brownfields Assessment Pilot and a \$700,000 Special Purpose grant from HUD for revitalizing brownfields within the south side area. Within this area, 48 percent of the population live at or below the City's median household income level and 30 percent live below the poverty level. In addition, the unemployment rate of 13 percent is double the rate for Cedar Rapids as a whole. The south side area is a designated Enterprise Zone and the City is in the process of completing an Urban Renewal/Tax Increment Financing Plan for the area.

BCRLF OBJECTIVES

The objective of Cedar Rapids' brownfields initiative is to encourage renewed investment and economic development opportunities in blighted neighborhoods. The Cedar Rapids BCRLF will provide gap financing for eligible cleanup projects, enhancing the City's inventory of incentives that lead to brownfield

PILOT SNAPSHOT



Cedar Rapids, Iowa

Date of Announcement:
May 25, 1999

Amount: \$500,000

BCRLF Target Area:
Three sites—a former steel sales and fabrication business, a former foundry, and a former meat-packing facility, located in the south side of the City.

Contacts:

Cedar Rapids Department
of Development
(319) 286-5051

Region 7 Brownfields
Coordinator
(913) 551-7786

Visit the EPA Region 7 Brownfields web site at:
www.epa.gov/region07/specinit/brown/brownfields.htm

For further information, including specific Pilot contacts, additional Pilot information, brownfields news and events, and publications and links, visit the EPA Brownfields web site at:
<http://www.epa.gov/brownfields/>

redevelopment. The BCRLF will be integral in cleaning up and redeveloping the following three brownfield sites located in the target neighborhood:

- Iowa Steel Site — formerly a steel sales and fabrication business that has deteriorated due to lack of investment and use.
- Iowa Iron Works Site — formerly a foundry that went bankrupt and become tax delinquent, now in a state of disrepair and subject to chronic vandalism.
- Sinclair-Wilson Site — formerly a meat-packing facility that has seen developer interest, but no action has occurred. The site's assessed value has dropped from \$4.3 million to \$800,000.

FUND STRUCTURE AND OPERATIONS

The Cedar Rapids Department of Development will serve as lead agency and is working with the U.S. Army Corps of Engineers, Rock Island District Office to serve as site manager. The City is considering utilizing either the Iowa Department of Economic Development or the City's Commissioner of Accounts and Finance as fund manager. The BCRLF plans to fund relatively small cleanup projects with the average loan size expected to be \$40,000 to \$50,000. Six or seven loans will be issued in the initial round of lending.

LEVERAGING

The Cedar Rapids BCRLF plans to leverage property tax increments made available through the planned tax increment financing district, the HUD Special Purpose Grant, and Iowa Enterprise Zone tax credits. Kirkwood Community College will provide in-kind technical assistance and field training.

Use of BCRLF Pilot funds must be in accordance with CERCLA, and all CERCLA restrictions on use of funding also apply to BCRLF funds.
